



November 19, 2009

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

RE: Docket No. R-1370

Dear Ms. Johnson,

On behalf of the Missouri Credit Union Association and the 148 credit unions in our state, thank you for allowing us the opportunity to comment on the proposed rule representing the second stage of the Federal Reserve's implementation of the Credit CARD Act of 2009 and the provisions that go into effect on February 22, 2010.

One provision in the proposal is significantly different than January's changes to Regulation Z. In the CARD Act (Part Two) proposed, under 226.9, Subsequent Disclosure Requirements, a member must be late more than 60 days instead of the 30 days as it reads in the changes to Regulation Z, effective July 1, 2010. We support the references to consumer delinquency of 30 days for the following reasons.

With the implementation of the CARD Act (Part One) on May 20, 2009, a change in terms notice must be given 45 days in advance, instead of 15 days, effective August 20, 2009. Prior to the CARD Act (Part One) and the proposal (CARD Act Part Two) a delinquency of 30 days with a 15 days change in terms notice resulted in a total of 45 days in which a member/consumer would be late without consequences. The proposed language states that a member must be delinquent at least 60 days before the change in terms notice can be sent. The change in terms is not allowed without a minimum of 45 days notice, which increases the amount of time a consumer can be delinquent without penalty to 105 days. That means that a consumer can be more than three months delinquent without a penalty. This is an undue burden and expense to the financial institution which would ultimately be passed along to the consumer that pays on time.

Under Regulation Z, Commentary, Section 226.2(a)(20) Open-end credit, the amendments passed in January with an implementation date of 7/1/10 affecting multi-featured open end lending, should not be included in this proposal with an implementation dated moved up to 2/22/2010. To move the mandatory compliance date up by four months will be costly and burdensome to credit unions and their members.

In reviewing the proposed regulation, we have identified a section that may represent an error in drafting. Under 226.9(c)(2)(iii) the first sentence reads, "Except as provided in paragraph(c)(2)(vi)." This perhaps should be paragraph (c)(2)(v).

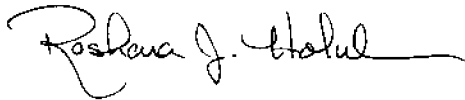
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In the current revisions to Regulation Z, effective July 1, 2010, Section 226.7(b)(12)(ii)(A)(3) includes a "Small depository institution issuers" provision that has been removed from the proposal. This provided a toll-free telephone number for the purpose of providing its customers with generic repayment estimates, and a Web site operated by or on behalf of the Federal Reserve board. Small institutions included federal credit unions or state chartered credit unions with total assets not exceeding \$250 million, as of 12-31-09. This provided small institution relief until 6/30/2012.

Thank you for the opportunity to comment on the proposed regulations. If I can answer questions concerning this comment letter, please contact me at (314) 542-1333 or [rholum@mcua.org](mailto:rholum@mcua.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Roshara J. Holub", with a long horizontal flourish extending to the right.

Roshara J. Holub  
President/CEO